



MODERNWATER

5 September 2012

Modern Water plc
("Modern Water" or "the Group")

**MODERN WATER COMPLETES INSTALLATION AND COMMISSIONING OF
AL NAJDH FORWARD OSMOSIS PLANT**

Modern Water plc (AIM:MWG), the owner of leading water technologies for the production of fresh water and monitoring of water quality, is pleased to announce that it has completed the installation and commissioning of its 200 cubic metres per day forward osmosis desalination plant at Al Najdah in the Al Wusta region of Oman.

Modern Water was awarded the contract, worth OMR250,000 (approximately GBP420,000) to Modern Water, to build and operate the plant in June 2011 by Oman's Public Authority for Electricity and Water (PAEW). It is the world's first commercial forward osmosis desalination plant and the Group's second plant in Oman.

The plant started producing product water at full capacity in July and during August testing was undertaken which saw the water quality exceed contractual standards. The plant is now operating commercially at full capacity and the Group has now entered into the 12 month operation and maintenance (O&M) phase. This project has again demonstrated the benefits of Modern Water's forward osmosis technology and how it can be applied in challenging water conditions.

The Al Najdah plant is vital to the area as it supplies the local community with a much needed source of clean drinking water. Modern Water has also recruited, and is now training, a number of people from the local community who are employed as part of the site operations team.

Neil McDougall, Executive Chairman of Modern Water plc, commented: "This is a key achievement for Modern Water and an important sign of things to come. We are the world's first company to apply forward osmosis technology in a commercial setting, using our patented process. The results are in line with the high expectations we set ourselves. Our unique technology greatly reduces both energy and operational costs whilst improving the quality of the water supplied. We offer a sustainable solution that has become increasingly attractive to this multi-billion dollar marketplace".

Ends

For further information

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Notes to editors

Modern Water owns, installs and operates world-leading membrane technology and develops and supplies advanced systems for water monitoring. Its shares trade on the Alternative Investment Market of the London Stock Exchange.

Modern Water's patented forward osmosis (FO) technology has been proven to significantly reduce costs, lower energy consumption and lessen environmental impact in a variety of industries. With a sales presence in over 60 countries, the Group's Monitoring Division includes the world's only real-time continuous toxicity monitor and trace metal analysers for monitoring the quality of drinking water.

www.modernwater.com